



MEDIROM Healthcare Technologies Inc. Announces Change of Auditor

New York/ January 8, 2025 - MEDIROM Healthcare Technologies Inc. (NasdaqCM: MRM), a holistic healthcare company based in Japan (“MEDIROM” or the “Company”), today announced it has dismissed TAAD LLP as the Company’s independent auditor on December 25, 2024 and has approved the appointment of GuzmanGray as the independent auditor of the Company, effective December 25, 2024.

Termination of Services of Independent Registered Public Accounting Firm

On December 25, 2024, MEDIROM Healthcare Technologies Inc. (the “Company”) dismissed TAAD LLP, the Company’s independent registered public accounting firm, effective immediately. This termination of TAAD LLP’s service was approved by the Board of Directors of the Company (the “Board”) on December 25, 2024.

During the two fiscal years ended December 31, 2022 and 2023 and the subsequent interim period from January 1, 2024 through December 25, 2024, (i) there were no disagreements (as defined in Item 16F(a)(1)(iv) of Form 20-F and the related instructions) between the Company and TAAD LLP on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedures, which disagreements, if not resolved to the satisfaction of TAAD LLP, would have caused TAAD LLP to make reference to the subject matter of such disagreement in connection with its report on the Company’s consolidated financial statements for the applicable period, and (ii) there were no “reportable events” (as described in Item 16F(a)(1)(v) of Form 20-F), except as described below and previously disclosed in the Company’s annual report on Form 20-F for the fiscal year ended December 31, 2023.

During the audit of the Company’s financial statements as of and for the year ended December 31, 2023, TAAD LLP identified certain material weaknesses in the Company’s internal controls, which involved (i) insufficiency of effective processes to ensure that all journal entries were properly reviewed and approved prior to posting to the general ledger; (ii) insufficient management review controls over key financial information including lack of evidence of review and approval of financial information; and (iii) internal controls not being updated in a timely manner due to rapid changes in the Company’s new business operations and environment. These material weaknesses are described in the Company’s annual report on Form 20-F for the fiscal year ended December 31, 2023, which the Company filed on June 18, 2024, with the Securities and Exchange Commission. As of the date hereof, the Company has taken steps to remediate these material weaknesses. TAAD LLP provided written communication concerning this reportable event to the Company and the matter was



s discussed among TAAD LLP, the Company's management and the Board. TAAD LLP has been authorized by the Company to respond fully to inquiries of GuzmanGray, the successor accountant, concerning this reportable event.

About MEDIROM Healthcare Technologies Inc.

MEDIROM, a holistic healthcare company, operates 308 (as of November 30, 2024) relaxation salons across Japan, Re.Ra.Ku® being its leading brand, and provides healthcare services. In 2015, MEDIROM entered the health tech business and launched new healthcare programs using an on-demand training app called "Lav®", which is developed by the Company. MEDIROM also entered the device business in 2020 and has developed a smart tracker "MOTHER Bracelet®". In 2023, MEDIROM launched REMONY, a remote monitoring system for corporate clients, and has received orders from a broad range of industries, including nursing care, transportation, construction, and manufacturing, among others. MEDIROM hopes that its diverse health-related product and service offerings will help it collect and manage healthcare data from users and customers and enable it to become a leader in big data in the healthcare industry. For more information, visit <https://medirom.co.jp/en>.

Forward-Looking Statements

Certain statements in this press release are forward-looking statements for purposes of the safe harbor provisions under the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements may include estimates or expectations about the Company's possible or assumed operational results, financial condition, business strategies and plans, market opportunities, competitive position, industry environment, and potential growth opportunities. In some cases, forward-looking statements can be identified by terms such as "may," "will," "should," "design," "target," "aim," "hope," "expect," "could," "intend," "plan," "anticipate," "estimate," "believe," "continue," "predict," "project," "potential," "goal," or other words that convey the uncertainty of future events or outcomes. These statements relate to future events or to the Company's future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, levels of activity, performance, or achievements to be different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond the Company's control and which could, and likely will, affect actual results, levels of activity, performance or achievements. Any forward-looking statement reflects the Company's current views with respect to future events and is subject to these and other risks, uncertainties and assumptions relating to the Company's operations, results of operations, growth strategy and liquidity. Some of the factors that could cause actual results to differ materially from t



hose expressed or implied by the forward-looking statements in this press release include:

- the Company's ability to achieve its development goals for its business and execute and evolve its growth strategies, priorities and initiatives;
- the Company's ability to sell certain of its owned salons to investors, and receive management fees from such sold salons, on acceptable terms;
- changes in Japanese and global economic conditions and financial markets, including their effects on the Company's expansion in Japan and certain overseas markets;
- the Company's ability to achieve and sustain profitability in its Digital Preventative Healthcare Segment;
- the fluctuation of foreign exchange rates, which affects the Company's expenses and liabilities payable in foreign currencies;
- the Company's ability to hire and train a sufficient number of therapists and place them at salons in need of additional staffing;
- changes in demographic, unemployment, economic, regulatory or weather conditions affecting the Tokyo region of Japan, where the Company's relaxation salon base is geographically concentrated;
- the Company's ability to maintain and enhance the value of its brands and to enforce and maintain its trademarks and protect its other intellectual property;
- the financial performance of the Company's franchisees and the Company's limited control with respect to their operations;
- the Company's ability to raise additional capital on acceptable terms or at all;
- the Company's level of indebtedness and potential restrictions on the Company under the Company's debt instruments;
- changes in consumer preferences and the Company's competitive environment;
- the Company's ability to respond to natural disasters, such as earthquakes and tsunamis, and to global pandemics, such as COVID-19; and
- the regulatory environment in which the Company operates.

More information on these risks and other potential factors that could affect the Company's business, reputation, results of operations, financial condition, and stock price is included in the Company's filings with the Securities and Exchange Commission (the "SEC"), including in the "Risk Factors" and "Operating and Financial Review and Prospects" sections of the Company's most recently filed periodic report on Form 20-F and subsequent filings, which are available on the SEC website at www.sec.gov. The Company assumes no obligation to update or revise these forward-looking statements for any reason, or to update the reasons actual results could differ from those anticipated in these forward-looking statements, even if new information becomes available in the future.



MEDIROM HEALTHCARE TECHNOLOGIES INC.

■ Contacts

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